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## Memorandum of Opposition to Senate Bill No. 109

**DATE:** March 14, 2013

**TO:** Chairman Rocca and Senate Regulatory Reform Committee Members

**FROM:** Michigan Liquor Control Commission

**SUBJECT:** Issuance of Conditional Licenses

Senate Bill No. 109 as introduced on January 30, 2013 requires the Michigan Liquor Control Commission (MLCC) to issue a conditional license to certain applicants within 20 business days after the applicant files a complete application and other required documentation. This bill contains certain provisions that concern the MLCC as noted below:

1. It is unknown why the language "The Commission may expedite the processing of an application by an applicant that currently holds a license under this Act" was included in this bill. There is currently nothing in the Liquor Control Code (Code) that would prohibit the Commission from expediting any application. It would seem that the conditional license process provides for an expedited application.
2. The bill requires the applicant to submit proof of the applicant's current, temporary, or permanent Certificate of Occupancy by a local unit of government. It is the understanding of the MLCC that not all local governmental units issue Certificates of Occupancy. Additionally, if a local unit of government issues a Certificate of Occupancy it is typically in the name of the property owner which generally is not the applicant.
3. This bill does not require the applicant for a conditional license to provide an executed property document to demonstrate that the applicant has control of the proposed conditional licensed premises.
4. This bill does not require the applicant to submit an application or request for a conditional license. Therefore, the Commission would be required to approve or

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deny a conditional license for every application that meets the requirements of subsection (5), even if one were not requested by the applicant.

5. This bill includes the issuance of a conditional license to an applicant seeking a new on premises quota license and other on premises licenses that allow the sale of alcoholic beverages at retail. The issuance of a conditional license to these applicants does not take into consideration the 500-foot proximity restriction to a church and/or school, the measurement that must be conducted according to the requirements of the Code and any notifications to churches or schools within the 500 foot proximity restriction that must be completed prior to the approval or denial of an on-premises license. It is unlikely that this could be accomplished within 20 business days of the receipt of the request for a conditional license.
6. The requirement that the Commission issue a conditional license within 20 days of the request for a conditional license does not take into consideration that the applicant may not file all the necessary documentation required for the issuance of the conditional license.
7. This bill provides for the expiration of the conditional license 180 days after issuance. While there is every expectation that the 180 day deadline could be met by the MLCC, situations arise that could impact the timeline required for consideration of the permanent application such as violations, estates, bankruptcy, and other such matters that are not within the control of the applicant or the MLCC.
8. The MLCC believes that it should be made clear in the bill that the conditional license is nontransferable and nonrenewable.
9. Immediate effect of this bill would not allow the MLCC to develop procedures and update its computer database to track these licenses for proof of financial responsibility, server training, violations and the expiration of the 180 day time period.